GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2202
ANSWERED ON:01.12.2000
INCOME TAX NOTICES TO SCHOOLS .
BASUDEB ACHARIA;BHARTRUHARI MAHTAB

Will the Minister of FINANCE be pleased to state:

(a) whether the Income Tax department has sent notices to several schools, asking that the cost of free education be added to teachers salaries and taxes be paid on this.

(b) if so, whether the same treatment is meted out to all high officials in public and private sectors who are enjoying all sorts of perquisites;

(c) if so, the details thereof; and

(d) if no, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SH. GINGEE N. RAMACHANDRAN)

(a) Yes, Sir.

(b) & (c) The value of perquisites including the value of any benefit of amenity granted or provided free of cost or at concessional rate by any employer to an employee, is taxed as per section 17 of the Income Tax Act, 1961 read with Rule 3 of Income Tax Rules, 1962. This is uniformaly applicable to all the employees in Public and Private sector who enjoys perquisites.

(e) In view of (b) & (c) above, the question does not arise.